

**NOTICE OF APPLICATION
FOR
AIR QUALITY CONSTRUCTION PERMIT**

The South Dakota Department of Environment and Natural Resources (DENR) received and reviewed the application for an air quality construction permit for the following applicant:

APPLICANT NAME: **Deadwood Biofuels, LLC**
FACILITY LOCATION: **Rapid City, South Dakota**

The air quality construction permit will allow the construction and operation of the following processes and units:

Unit #2 Wood chip drying process - Dryer #1 – 1961 Heil three pass rotary drum dryer, model 105-32, with a maximum heat input capacity of 27 million Btus per hour. The dryer is fired with natural gas. Dried wood chips are recovered using two cyclones operated in parallel.

Unit #3 Secondary hammermill – 1998 Sprout hammermill, model 43365. Wood chips are recovered using a cyclone.

A review of the application indicates Deadwood Biofuels, LLC can construct and operate the feedstock drying and sizing processes for the wood pellet manufacturing facility in compliance with South Dakota's Air Pollution Control rules and the federal Clean Air Act. DENR, therefore, recommends the Board of Minerals and Environment issue a construction permit to Deadwood Biofuels with conditions to ensure compliance with South Dakota Codified Laws (SDCL) 34A-1 and the federal Clean Air Act.

In accordance with the Administrative Rules of South Dakota (ARSD) 74:36:20:11, any person desiring to comment on DENR's draft permit conditions must submit written comments to the address below within thirty days of this public notice. Comments may be directed to the following mailing address: Marlys Heidt; PMB 2020; Department of Environment and Natural Resources; 523 East Capitol; Pierre, South Dakota 57501. DENR will consider and address all comments submitted and issue a final permit decision pursuant to ARSD 74:36:20:13. DENR will notify the applicant and each person that requested notice or submitted written comments of DENR's final permit decision, including notification of any changes to the permit based on the comments.

Any person desiring to contest the issuance of this permit and have a contested case hearing must file a petition, which complies with ARSD 74:09:01:01. This petition must be filed either within thirty days of this public notice or, if that person submits comments on DENR's draft permit pursuant to the paragraph above, within thirty days of receiving notice of DENR's final permit decision. Upon receipt of a petition, DENR will schedule this matter for a contested case hearing before the Board of Minerals and Environment.

If no comments or objections are received within thirty days of this public notice, the draft permit becomes the final permit decision and the permit will be issued.

Copies of DENR's draft permit conditions and other information may be obtained from Marlys Heidt, Engineer III, at the above address or telephone at (605) 773-3151 or from DENR's website at:

<http://denr.sd.gov/des/aq/aapubnot.aspx>

A handwritten signature in black ink, appearing to read 'S. Pirner', with a stylized flourish at the end.

Steven M. Pirner, Secretary
Department of Environment and Natural Resources

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